

# House File 623 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON ECONOMIC GROWTH

(SUCCESSOR TO HSB 183)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to unemployment insurance benefits and compliance  
2 with federal law regarding and in order to qualify for  
3 funding, and including an appropriation and effective and  
4 applicability dates.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 1434HV 83  
7 ak/rj/14

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1 1 Section 1. Section 96.3, subsection 5, Code 2009, is  
1 2 amended to read as follows:  
1 3 5. a. DURATION OF BENEFITS. The maximum total amount of  
1 4 benefits payable to an eligible individual during a benefit  
1 5 year shall not exceed the total of the wage credits accrued to  
1 6 the individual's account during the individual's base period,  
1 7 or twenty=six times the individual's weekly benefit amount,  
1 8 whichever is the lesser. The director shall maintain a  
1 9 separate account for each individual who earns wages in  
1 10 insured work. The director shall compute wage credits for  
1 11 each individual by crediting the individual's account with  
1 12 one=third of the wages for insured work paid to the individual  
1 13 during the individual's base period. However, the director  
1 14 shall recompute wage credits for an individual who is laid off  
1 15 due to the individual's employer going out of business at the  
1 16 factory, establishment, or other premises at which the  
1 17 individual was last employed, by crediting the individual's  
1 18 account with one=half, instead of one=third, of the wages for  
1 19 insured work paid to the individual during the individual's  
1 20 base period. Benefits paid to an eligible individual shall be  
1 21 charged against the base period wage credits in the  
1 22 individual's account which have not been previously charged,  
1 23 in the inverse chronological order as the wages on which the  
1 24 wage credits are based were paid. However if the state "off  
1 25 indicator" is in effect and if the individual is laid off due  
1 26 to the individual's employer going out of business at the  
1 27 factory, establishment, or other premises at which the  
1 28 individual was last employed, the maximum benefits payable  
1 29 shall be extended to thirty=nine times the individual's weekly  
1 30 benefit amount, but not to exceed the total of the wage  
1 31 credits accrued to the individual's account.  
1 32 b. TRAINING EXTENSION BENEFITS.  
1 33 (1) An individual who has been separated from a declining  
1 34 occupation or who has been involuntarily separated from  
1 35 employment as a result of a permanent reduction of operations  
2 1 at the last place of employment and who is in training with  
2 2 the approval of the director or in a job training program  
2 3 pursuant to the Workforce Investment Act of 1998, Pub. L. No.  
2 4 105=220, at the time regular benefits are exhausted, may be  
2 5 eligible for training extension benefits.  
2 6 (2) A declining occupation is one in which there is a lack  
2 7 of sufficient current demand in the individual's labor market  
2 8 area for the occupational skills for which the individual is  
2 9 fitted by training and experience or current physical or  
2 10 mental capacity, and the lack of employment opportunities is  
2 11 expected to continue for an extended period of time, or the  
2 12 individual's occupation is one for which there is a seasonal  
2 13 variation in demand in the labor market and the individual has  
2 14 no other skill for which there is current demand.  
2 15 (3) The training extension benefit amount shall be  
2 16 twenty=six times the individual's weekly benefit amount and

2 17 the weekly benefit amount shall be equal to the individual's  
2 18 weekly benefit amount for the claim in which benefits were  
2 19 exhausted while in training.

2 20 (4) An individual who is receiving training extension  
2 21 benefits shall not be denied benefits due to application of  
2 22 section 96.4, subsection 3, or section 96.5, subsection 3.  
2 23 However, an employer's account shall not be charged with  
2 24 benefits so paid. Relief of charges under this paragraph "b"  
2 25 applies to both contributory and reimbursable employers,  
2 26 notwithstanding section 96.8, subsection 5.

2 27 (5) In order for the individual to be eligible for  
2 28 training extension benefits, all of the following criteria  
2 29 must be met:

2 30 (a) The training must be for a high-demand occupation or  
2 31 high-technology occupation, including the fields of life  
2 32 sciences, advanced manufacturing, biotechnology, alternative  
2 33 fuels, insurance, and environmental technology. "High-demand  
2 34 occupation" means an occupation in a labor market area in  
2 35 which the department determines work opportunities are

3 1 available and there is a lack of qualified applicants.  
3 2 (b) The individual must file any unemployment insurance  
3 3 claim to which the individual becomes entitled under state or  
3 4 federal law, and must draw any unemployment insurance benefits  
3 5 on that claim until the claim has expired or has been  
3 6 exhausted, in order to maintain the individual's eligibility  
3 7 under this paragraph "b". Training extension benefits end  
3 8 upon completion of the training even though a portion of the  
3 9 training extension benefit amount may remain.

3 10 (c) The individual must be enrolled and making  
3 11 satisfactory progress to complete the training.

3 12 Sec. 2. Section 96.3, subsection 6, paragraph b, Code  
3 13 2009, is amended to read as follows:

3 14 b. The director shall prescribe fair and reasonable  
3 15 general rules applicable to part-time workers, for determining  
3 16 their full-time weekly wage, and the total wages in employment  
3 17 by employers required to qualify such workers for benefits.  
3 18 An individual is a part-time worker if a majority of the weeks  
3 19 of work in such individual's base period includes part-time  
3 20 work. Part-time workers are not required to be available for,  
3 21 seek, or accept full-time employment.

3 22 Sec. 3. Section 96.4, subsection 4, Code 2009, is amended  
3 23 to read as follows:

3 24 4. a. The individual has been paid wages for insured work  
3 25 during the individual's base period in an amount at least one  
3 26 and one-quarter times the wages paid to the individual during  
3 27 that quarter of the individual's base period in which the  
3 28 individual's wages were highest; provided that the individual  
3 29 has been paid wages for insured work totaling at least three  
3 30 and five-tenths percent of the statewide average annual wage  
3 31 for insured work, computed for the preceding calendar year if  
3 32 the individual's benefit year begins on or after the first  
3 33 full week in July and computed for the second preceding  
3 34 calendar year if the individual's benefit year begins before  
3 35 the first full week in July, in that calendar quarter in the  
4 1 individual's base period in which the individual's wages were  
4 2 highest, and the individual has been paid wages for insured  
4 3 work totaling at least one-half of the amount of wages  
4 4 required under this ~~subsection~~ paragraph in the calendar  
4 5 quarter of the base period in which the individual's wages  
4 6 were highest, in a calendar quarter in the individual's base  
4 7 period other than the calendar quarter in which the  
4 8 individual's wages were highest. The calendar quarter wage  
4 9 requirements shall be rounded to the nearest multiple of ten  
4 10 dollars.

4 11 b. For an individual who does not have sufficient wages in  
4 12 the base period, as defined in section 96.19, to otherwise  
4 13 qualify for benefits pursuant to this subsection, the  
4 14 individual's base period shall be the last four completed  
4 15 calendar quarters immediately preceding the first day of the  
4 16 individual's benefit year if such period qualifies the  
4 17 individual for benefits under this subsection.

4 18 (1) Wages that fall within the alternative base period  
4 19 established under this paragraph "b" are not available for  
4 20 qualifying benefits in any subsequent benefit year.

4 21 (2) Employers shall be charged in the manner provided in  
4 22 this chapter for benefits paid based upon quarters used in the  
4 23 alternative base period.

4 24 c. If the individual has drawn benefits in any benefit  
4 25 year, the individual must during or subsequent to that year,  
4 26 work in and be paid wages for insured work totaling at least  
4 27 two hundred fifty dollars, as a condition to receive benefits

4 28 in the next benefit year.

4 29 Sec. 4. Section 96.7, subsection 2, paragraph a,  
4 30 subparagraph (2), Code 2009, is amended by adding the  
4 31 following new subparagraph division:

4 32 NEW SUBPARAGRAPH DIVISION. (e) The account of an employer  
4 33 shall not be charged with benefits paid to an individual who  
4 34 is laid off if the benefits are paid as the result of the  
4 35 return to work of a permanent employee who is one of the  
5 1 following:

5 2 (i) A member of the national guard or organized reserves  
5 3 of the armed forces of the United States ordered to temporary  
5 4 duty, as defined in section 29A.1, subsection 3, 11, or 12,  
5 5 for any purpose, who has completed the duty as evidenced in  
5 6 accordance with section 29A.43.

5 7 (ii) A member of the civil air patrol performing duty  
5 8 pursuant to section 29A.3A, who has completed the duty as  
5 9 evidenced in accordance with section 29A.43.

5 10 Sec. 5. Section 96.20, subsection 2, Code 2009, is amended  
5 11 to read as follows:

5 12 2. The department may enter into arrangements with the  
5 13 appropriate agencies of other states, or a contiguous country  
5 14 with which the United States has an agreement with respect to  
5 15 unemployment compensation or of the federal government (a)  
5 16 whereby wages or services, upon the basis of which an  
5 17 individual may become entitled to benefits under the  
5 18 unemployment compensation law of another state or of the  
5 19 federal government, shall be deemed to be wages for employment  
5 20 by employers for the purposes of section 96.3 and section  
5 21 96.4, subsection 5; provided such other state agency or agency  
5 22 of the federal government has agreed to reimburse the fund for  
5 23 such portion of benefits paid under this chapter upon the  
5 24 basis of such wages or services as the department finds will  
5 25 be fair and reasonable as to all affected interests, and (b)  
5 26 whereby the department will reimburse other state or federal  
5 27 agencies charged with the administration of unemployment  
5 28 compensation laws with such reasonable portion of benefits,  
5 29 paid under the law of any such other states or of the federal  
5 30 government upon the basis of employment or wages for  
5 31 employment by employers, as the department finds will be fair  
5 32 and reasonable as to all affected interests. Reimbursements  
5 33 so payable shall be deemed to be benefits for the purposes of  
5 34 section 96.3, subsection 5, paragraph "a", and section 96.9,  
5 35 but no reimbursement so payable shall be charged against any  
6 1 employer's account for the purposes of section 96.7, unless  
6 2 wages so transferred are sufficient to establish a valid claim  
6 3 in Iowa, and that such charges shall not exceed the amount  
6 4 that would have been charged on the basis of a valid claim.  
6 5 The department is hereby authorized to make to other state or  
6 6 federal agencies and receive from such other state or federal  
6 7 agencies, reimbursements from or to the fund, in accordance  
6 8 with arrangements pursuant to this section. The department  
6 9 shall participate in any arrangements for the payment of  
6 10 compensation on the basis of combining an individual's wages  
6 11 and employment covered under this Act with the individual's  
6 12 wages and employment covered under the unemployment  
6 13 compensation laws of other states which are approved by the  
6 14 United States secretary of labor in consultation with the  
6 15 state unemployment compensation agencies as reasonably  
6 16 calculated to assure the prompt and full payment of  
6 17 compensation in such situations and which include provisions  
6 18 for: Applying the base period of a single state law to a  
6 19 claim involving the combining of an individual's wages and  
6 20 employment covered under two or more state unemployment  
6 21 compensation laws, and avoiding the duplication use of wages  
6 22 and employment by reason of such combining.

6 23 Sec. 6. Section 96.23, subsection 1, paragraph b, Code  
6 24 2009, is amended to read as follows:

6 25 b. The individual did not receive wages from insured work  
6 26 for two calendar quarters and did not receive wages from  
6 27 insured work for another calendar quarter equal to or greater  
6 28 than the amount required for a calendar quarter, other than  
6 29 the calendar quarter in which the individual's wages were  
6 30 highest, under section 96.4, subsection 4, paragraph "a".

6 31 Sec. 7. Section 96.40, subsection 8, Code 2009, is amended  
6 32 to read as follows:

6 33 8. An individual shall not be entitled to receive shared  
6 34 work benefits and regular unemployment compensation benefits  
6 35 in an aggregate amount which exceeds the maximum total amount  
7 1 of benefits payable to that individual in a benefit year as  
7 2 provided under section 96.3, subsection 5, paragraph "a".  
7 3 Notwithstanding any other provisions of this chapter, an

7 4 individual shall not be eligible to receive shared work  
7 5 benefits for more than twenty-six calendar weeks during the  
7 6 individual's benefit year.  
7 7 Sec. 8. FUTURE APPROPRIATION OF FEDERAL FUNDS. Any funds  
7 8 received by this state from the federal government pursuant to  
7 9 section 903 of the federal Social Security Act as a result of  
7 10 the enactment of this Act are appropriated by the general  
7 11 assembly to the department of workforce development to be  
7 12 placed in the unemployment compensation trust fund. The  
7 13 computation date provided in section 96.19, subsection 8,  
7 14 shall be delayed until the funds pursuant to section 903 of  
7 15 the federal Social Security Act are received by the state but  
7 16 the computation date shall be no later than September 5, 2009,  
7 17 if the funds are not received on or before that date. The  
7 18 contribution rate table calculation shall use data as of July  
7 19 1, 2009, except for inclusion in the unemployment compensation  
7 20 trust fund balance of funds received pursuant to section 903  
7 21 of the Social Security Act.

7 22 Sec. 9. APPLICABILITY AND EFFECTIVE DATES. The section of  
7 23 this Act amending section 96.3 applies to any week of  
7 24 unemployment benefits beginning on or after July 5, 2009. The  
7 25 section of this Act amending section 96.4 applies to any new  
7 26 claim of unemployment benefits with an effective date on or  
7 27 after July 5, 2009.

#### 7 28 EXPLANATION

7 29 This bill relates to unemployment insurance benefits and  
7 30 brings Iowa into compliance with federal law in order to  
7 31 receive additional federal funds.

7 32 The bill establishes a benefits extension for individuals  
7 33 enrolled in a training program. Regular benefits must be  
7 34 exhausted and the benefit amount shall be no more than 26  
7 35 times the individual's weekly benefit amount. The individual  
8 1 who qualifies must have been separated from a declining  
8 2 occupation or laid off. Declining occupation is defined in  
8 3 the bill. In order to qualify for the training extension  
8 4 benefits, the following criteria must be met: the benefits  
8 5 end when training is completed; the individual must be  
8 6 enrolled, participating, and making satisfactory progress in  
8 7 the training; and the training must be for a high-demand or  
8 8 high-technology occupation, which are explained in the bill.  
8 9 An employer is relieved of charges of unemployment benefits  
8 10 paid due to claims for training extension benefits.

8 11 The bill amends the part-time workers section such that an  
8 12 individual who was a part-time worker a majority of the time  
8 13 in the base period shall not be required to be a full-time  
8 14 worker to qualify for benefits or to seek full-time work.

8 15 An alternate method of calculating the base period, to  
8 16 determine the monetary attachment-to-the-workforce eligibility  
8 17 of individuals for unemployment benefits, is included for  
8 18 cases where the current method of calculation makes an  
8 19 individual ineligible for unemployment benefits. The bill  
8 20 moves the base period closer, by one quarter, to the benefit  
8 21 claim filing date so that the base period would consist of the  
8 22 first four calendar quarters immediately preceding the  
8 23 calendar quarter in which the claim for unemployment benefits  
8 24 is filed if doing so would qualify the individual for  
8 25 benefits.

8 26 The bill waives employer charges for unemployment claims  
8 27 stemming from temporary workers who have replaced active-duty  
8 28 military employees. The bill prevents the account of an  
8 29 employer from being charged if benefits are paid to an  
8 30 individual who is laid off as the result of the return to work  
8 31 of a permanent employee who is a member of the national guard  
8 32 of the United States armed forces reserves ordered to  
8 33 temporary duty, as defined in Code section 29A.1, subsection  
8 34 3, 11, or 12, for any purpose and who has completed the duty,  
8 35 or who is a member of the civil air patrol performing duty  
9 1 pursuant to Code section 29A.3A and who has completed the  
9 2 duty.

9 3 Any possible future funds received from the federal  
9 4 government due to the bill's enactment are appropriated to the  
9 5 department to be placed in the unemployment compensation trust  
9 6 fund. The computation date shall be delayed until funds  
9 7 pursuant to section 903 of the federal Social Security Act are  
9 8 received by the state, but no later than September 5, 2009.

9 9 The amendment in the bill to Code section 96.3 applies to  
9 10 any week of unemployment benefits that begins on or after July  
9 11 5, 2009. The amendment in the bill to Code section 96.4  
9 12 applies to any new claim with an effective date on or after  
9 13 July 5, 2009.

